

October, 1907, began buying bills for future delivery, against which gold was imported. Net gold imports for the year ending October 31, 1907, were £28,571,950.* So vigorous was the policy of the Bank of Brazil that complaints were heard from foreign bankers operating in the country that the old profits on exchange had disappeared and that the government bank conducted its operations not with a view to profit, but entirely as a protection to the interests of the Conversion Office.³ That it at least accomplished its object was shown by the fact that during 1907 exchange showed a maximum variation of 2½ pence, or about 2.7 per cent., while in 1905 the range of variation had been 11 pence, and in 1906 3½ pence, or more than twenty per cent.

The law of 1906, establishing the Conversion Office, provided that the issue of gold notes should cease when the amount reached 320,000,000 milreis, corresponding to deposits of £20,000,000, and that a higher rate of exchange for the milreis might then be fixed. The notes might then be called in and new ones issued at the changed rate.^a As prices and wages become adjusted to a fixed exchange, however, it does not seem likely that an arbitrary variation in the value of the milreis will be found advisable. In the meantime the Brazilian Government arranged for a coinage of subsidiary silver at the rate of ten grams to the milreis, or near the rate of 24 to i.

Banking in Argentina.

The forced legal tender of paper currency is declared by M. Irujo to have been, "since 1826, a chronic malady, with rare intermissions, in the Argentine Republic."⁴ The his-

¹ (7. S. Consular Reports, Feb. 25, 1908.

² London *Economist*, January 18, 1908, LXVL, 126.

It was admitted, however, by the Chairman of the London and Brazilian Bank, at their annual meeting in London April 28, 1908, that if the bank "were losers in one way by the privileges enjoyed by their native competitor, they were always gainers by a steady exchange."—*Economist*, May 2, 1908, LXVL, 948.

³ Arts. 3 and 4, *Moniteur des IntMts Mat&rieh*, Sept. 23, 1906, 3133.

⁴ *Melanges Financiers*, 286.